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PROPOSED MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997*

MAJOR PROGRAMME IV. INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT

Programme 13. International Trade

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* The present document contains programme 13 of the proposed medium-term plan for the period 1992-1997. The complete medium-term plan will subsequently be issued in final printed form as Official Records of the General Assembly, Forty-fifth Session, Supplement No. 6 (A/45/6/Rev.1).

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PROGRAMME 13. INTERNATIONAL TRADE

A. Programme

1. General orientation

13.1 International trade as a vehicle of international co-operation and as an agent of development will continue to be of importance in the 1990s. The beginning of the period will have seen the conclusion of the Uruguay Round of multilateral trade negotiations, covering a broad range of subjects extending beyond the traditional trade liberalization issues. The North American bilateral trade agreement will have become fully operational, and the European Economic Community (EEC) single market will have been completed. The process of economic reform in Eastern Europe could lead to the greater integration of the countries of this region in the world economy. Important newcomers are appearing on the international trading scene, including the fast-growing exporters of manufactures. The international trading framework will thus have to respond positively to these and other developments. At the same time, it will have to cope with pressures, in particular from developing countries, which will need foreign exchange in order to service their debts and to maintain adequate rates of investments and growth. There will also be competitive pressures arising from the constant upgrading of technology, skills and industrial innovations. The prospect is for increasing competitive pressures and a search for new markets by both developed and developing countries. The context of those developments will be one of increasing concern regarding the ability of the natural environment and resource base to sustain present patterns and rates of growth in the developed countries, together with a revitalization of development in the developing world.

13.2 All countries will face both challenges and opportunities in the 1990s. Improved access to markets for the exports of developing countries and benefits from productive investments and transfers of technology consistent with their development objectives are essential in order for developing countries to be able to expand their production base and to diversify their economies. They will need to enhance the contribution of their commodity sector to their development, an objective that encompasses increased participation in the processing, marketing and distribution of their commodities. In that context, they will need to seek the assistance of the international community and to make use of the Common Fund for Commodities as an instrument for giving a new impetus to policy action in the field of commodities. They will also need to develop their manufacturing and services sectors and particular services industries, including shipping and insurance, in order to earn or save scarce foreign exchange and to participate in the growth areas of the world economy. It is important to analyse the diversity of performance in international trade in order to emulate successful policies, as appropriate. Furthermore, they will have to intensify their efforts to expand their mutual trade and economic co-operation in order to provide new engines of growth for themselves and to contribute to the expansion of the world economy as a whole. New opportunities along with new challenges could also arise for the expansion of their trade because of the transformation of the economies of Eastern European countries. The least developed countries, in particular, will increasingly require special measures to help them overcome their structural difficulties and to respond to the challenges and opportunities of the 1990s.

13.3 Protectionism, problems of market access, particularly for developing countries, restrictive business practices, resistance to structural adjustment and subsidization of production and exports will remain key issues for the 1990s. However, as recognized in the Final Act adopted by the United Nations Conference on Trade and Development (UNCTAD) at its seventh session, a balanced outcome of the Uruguay Round of multilateral trade negotiations should in the end develop a more open, viable and durable multilateral trading system and thereby contribute to promoting growth and development. The revitalization of development, growth and international trade in an increasingly interdependent world is a common objective that requires continued co-operative efforts within a multilateral framework involving all States.

13.4 Such problems will highlight further the interrelationship of trade issues with monetary and financial questions and the problem of debt. Many countries, particularly developing countries, have to cope with weak and unstable commodity prices, restrictions on their exports, instability in exchange rates, debt-servicing problems, high real interest rates and the need for appropriate economic policy reforms with international development objectives. Their ability to make the necessary adjustments in order to become or remain competitive in international trade will thus be severely constrained. Others have successfully adjusted their economies and achieved rapid growth. Those countries are encouraged to share their experiences with other countries. Developments in the financial sector, including the progressive dismantling of controls over international capital movements, the increasingly close connections between international and domestic financial markets, facilitated by the revolution in information and communications technology, as well as the decline in net financial flows to countries concerned will underline the importance of further development of the trade sectors in many developing countries.

13.5 Under these circumstances, developing countries will have to develop and implement more sophisticated and aggressive marketing strategies, expand their marketing efforts significantly, arm themselves with more accurate and up-to-date information on market requirements and opportunities, improve and adapt the quality standards of their exportable products, make their policy environments more conducive to export development and promotion and strengthen their institutions providing support to their export promotion efforts. As a result, there will be an increasing demand for technical co-operation in areas such as business management training, marketing and purchasing, and capital investment.

13.6 The situation in the 1990s will call for strengthened international co-operation not only to resolve trade disputes, particularly those that go beyond the application of rules, but also to promote the orderly expansion of world trade. UNCTAD is mandated to promote international trade, especially with a view to accelerating economic development, and will contribute to the formulation of principles and policies on international trade and related problems of international economic co-operation and development, having regard especially to the particular needs of the least developed countries, as well as of the African countries in the context of follow-up to the United Nations Programme of Action for African Economic Recovery and Development 1986-1990. UNCTAD will also contribute to international co-operation to improve the systems, structures and arrangements that underpin international economic relations, particularly in the interrelated areas of trade, money and finance, making them more supportive of development. The International Trade Centre UNCTAD/GATT has an important and complementary role to play as the United Nations system's focal point for technical co-operation

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activities in trade promotion and export development, with the broad objective of strengthening national capabilities for the development and promotion of export products from developing countries and improving their import operations and management, thereby increasing their foreign exchange earnings.

2. Overall strategy

13.7 Member States can contribute to the achievement of the objectives of the present programme by reaffirming their commitment to strengthen multilateral co-operation aimed at revitalizing development and expanding growth and trade. In that regard, they can take the necessary measures to improve the environment for restoring the development process. The developed market-economy countries can take co-ordinated action to promote stable and non-inflationary growth and deal with their mutual imbalances in a manner that will be beneficial to development. Together with the countries of Eastern Europe, they can contribute to the production potential of developing countries, improve access for their exports and undertake appropriate structural adjustment. They can also expand their economic assistance and the flows of resources to developing countries. The developing countries, for their part, acting in pursuit of their national objectives and priorities, can strengthen the mobilization of domestic financial and human resources, including indigenous private capital and entrepreneurship, provide a suitable policy environment for the inflow of external financial resources, improve the effectiveness of the use of external and domestic resources and intensify their mutual co-operation in pursuance of national and collective self-reliance.

13.8 Policy initiatives by developing countries to restore the momentum of growth to their economies will need to be supplemented by co-ordinated action by other countries and international organizations in the interrelated areas of trade, money and finance. In seeking to revive and sustain economic growth in developing countries as the material base for their development, national and international policy-makers will have to pay increased attention to the importance of the qualitative components of development objectives, including ecologically sustainable growth and the need for full participation of all sections of the population in the development process, and an equitable distribution of the benefits of growth. For the fulfillment of those aims, Governments, enterprises and other participants in the development process will have to enhance economic efficiency and social responsibility, as well as handle interdependence through appropriate intergovernmental and national action, in a comprehensive and broad-based manner to ensure mutual benefit for all, especially developing countries.

13.9 The UNCTAD secretariat will make its contribution to enhancing the effectiveness of UNCTAD as an instrument of international co-operation for development by strengthening its support for intergovernmental exchanges, consultations and negotiations, its research, conceptual innovation and policy analysis activities, as well as the interaction of its research work with its technical co-operation activities.

13.10 The economic and other policy reforms under way in Eastern European countries found reflection in the annual consideration of UNCTAD of trade relations among countries having different economic and social systems at the second part of the thirty-sixth session of the Trade and Development Board in March 1990. The extensive discussions did not however result in agreement on the directions in

which future work in that area might be adapted or oriented. In those circumtances, the Board requested that the work programme of UNCTAD should be adjusted as appropriate, in the light of developments and taking into account the views expressed during that part of its session. Such an adjustment will need to take account of the general view that future consideration of issues in that area should be included in the context of the analysis, study and discussion of the overall problématique of international trade. In that context, it will have to pay due regard, inter alia, to the implications that the process of further integration of Eastern European countries in the world economy may have for the trade relations of developing countries as well as for financial flows to them.

13.11 Consequently, subprogramme 5, which reflects the existing legislative authority has been retained for reference purposes only. It will be appropriately adjusted on the occasion of the first revision to the medium-term plan, in the light of the action to be taken in response to the request of the Trade and Development Board and of subsequent developments, including such relevant decisions as may be taken by competent intergovernmental bodies, particularly at the eighth session of UNCTAD.

13.12 As it enters the 1990s, the International Trade Centre UNCTAD/GATT is equipped with a multi-disciplinary technical research and development capability and an extensive infrastructure of technical co-operation projects in developing countries. That capability is at the disposal of Governments and focuses on enabling export sectors in developing countries to keep up-to-date with developments in international trade. Rapid technological advances and constantly evolving market conditions have made the monitoring of trade opportunities a basic condition for the economic survival of nations. The development of the technical research and development capabilities of the Centre is linked with its technical co-operation activities at the national, subregional and regional levels. It is that linkage that has enabled the Centre to develop a service capability that is attuned to the vital trade development issues being pursued by Governments and business communities in developing countries.

13.13 The function of the International Trade Centre of monitoring world trade conditions assumed added urgency in the late 1980s when policy commitments in developing countries to export development and trade promotion intensified with stringencies in international liquidity and as rapid advances in communications technologies simplified the exchange of trade information. The institution and service-building efforts of the Centre, which had begun in the late 1960s, appeared in the late 1980s to have brought about a state of institutional readiness in a number of developing countries, thus ensuring better utilization of trade monitoring capabilities of the Centre at the national level. Dissemination of trade information at the level of export enterprises emerged in the latter part of the 1980s as a necessary and practicable undertaking in most countries participating in technical co-operation projects.

13.14 Paralleling its efforts in the export sector, the International Trade Centre is prepared in the 1990s to base a major part of its technical co-operation activities in import management on the development of improved networks for the exchange of information on sources of supply and on advising and training the officials concerned on more efficient utilization of that information. It is thus expected that improved information on alternative sources of imports should, by the mid-1990s, lead to an overall improvement in the utilization of developing country resources and constitute at the same time a powerful instrument in promoting trade

among developing countries. A number of issues with which the Centre was increasingly concerned in the late 1980s will continue to be the subject of major efforts. Those are special assistance to the least developed countries, expansion of trade and technical co-operation among developing countries, rural export development, improvement of the role of women in development, human resources development, and environmental aspects of trade and export services, which will be integrated in a cross-programmatic manner in the period of the medium-term plan.

13.15 In the mid-1980s, the International Trade Centre launched a strategy at the enterprise level aimed at accelerating export growth at that level in developing countries. By the late 1980s, a significant part of the overall programme of the Centre was being devoted to the implementation of that strategy at the request of co-operating Governments. Individual enterprises producing products with good export prospects now benefit from multi-year packages of technical co-operation in export management, and market and product development. The performance of such projects is assessed mainly in terms of additional export earnings generated by the enterprises as a result of project support.

13.16 Co-operation and co-ordination will be maintained, as appropriate, between UNCTAD and the International Trade Centre and with the regional commissions, as well as with the Department of International Economic and Social Affairs and the Department of Technical Co-operation for Development of the United Nations Secretariat, the United Nations Centre on Transnational Corporations, the United Nations Centre for Science and Technology for Development, the Food and Agriculture Organization of the United Nations, the International Civil Aviation Organization (ICAO), the World Bank, the International Monetary Fund, the International Maritime Organization (IMO), the World Intellectual Property Organization, the United Nations Industrial Development Organization (UNIDO) and the General Agreement on Tariffs and Trade (GATT), bilaterally and, where appropriate, through the machinery of the Administrative Committee on Co-ordination (ACC), as well as with other relevant interregional, regional and subregional organizations. Consultations in areas of mutual concern will also be strengthened with outside entities, such as the Common Fund for Commodities, the Council for Mutual Economic Assistance, the European Free Trade Association, the European Economic Community, the Organisation for Economic Co-operation and Development, international commodity bodies and study groups. The specificity and coverage of the co-ordination and/or co-operation needed will be determined by the substantive content of each of the subprogrammes. Close contacts will be maintained with Governments and the private sector. UNCTAD will strengthen the internal co-ordination of its substantive activities, not only among the relevant subprogrammes described below, but also between the present programme and programmes 14 (Development finance, resource flows and external debt) and 15 (Least developed, land-locked and island developing countries, and special programmes), for which UNCTAD has responsibility, through various internal mechanisms, including the Task Force on Economic Co-operation for Developing Countries, the Task Force on the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, the Task Force on Long-term Research Strategy, and the Task Force on Technical Co-operation Activities.

3. Subprogramme structure and priorities

13.17 In view of the above orientation and strategy, the programme will consist of the following subprogrammes:

Subprogramme 1. Protectionism and market access

Subprogramme 2. Structural adjustment and trade expansion

Subprogramme 3. Cross-sectoral issues

Subprogramme 4. Transfer of technology

Subprogramme 5. Trade among countries having different economic and social systems*

Subprogramme 6. Commodities

Subprogramme 7. Economic co-operation among developing countries

Subprogramme 8. Maritime and multimodal transport

Subprogramme 9. Data management and trade facilitation

Subprogramme 10. Institutional infrastructure, including business organizations for trade promotion and export development

Subprogramme 11. Product and market research, development and promotion

Subprogramme 12. Import operations and techniques

Subprogramme 13. Human resources development for trade promotion

13.18 Subprogrammes 1 to 9 will be implemented by the UNCTAD secretariat and subprogrammes 10 to 13 will be implemented by the secretariat of the International Trade Centre. Priority will be given to the interrelationship among trade, investment and technology, including the development of services sectors, for which subprogramme 3 (Cross-sectoral issues) provides an intergrating framework, as well as to subprogramme 6 (Commodities), and subprogramme 10 (Institutional infrastructure, including business organizations for trade promotion and export development). Special attention will be given to aspects of economic co-operation among developing countries.

B. Subprogrammes

SUBPROGRAMME 1. PROTECTIONISM AND MARKET ACCESS

(a) Objectives

13.19 The legislative authority for the subprogramme derives from General Assembly resolutions 35/63 and 42/175; UNCTAD resolution 159 (VI); the Final Act of the seventh session of UNCTAD, paragraphs 101-105 (1-24); Trade and Development Board resolutions 228 (XXII) and 286 (XXVIII) and decisions 9 (I), 354 (XXXIV) and 367 (XXXV); agreed decisions and conclusions adopted by the Intergovernmental Group of Experts on Restrictive Business Practices at its sixth and eighth sessions;

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* See paras. 13.10 and 13.11 above.

recommendations adopted by the Intergovernmental Group of Experts on Definitions and Methodology Employed in the UNCTAD Data Base on Trade Measures at its second session.

13.20 The objectives of the subprogramme will be:

(a) To liberalize governmental barriers to international trade of a tariff and non-tariff nature;

(b) To fulfil commitments in the field of international trade, including those contained in paragraph 105 of the Final Act of the seventh session of UNCTAD, including provisions of differential and more favourable treatment to developing countries, to review existing trade legislation to avoid abuse of such non-tariff measures as anti-dumping and countervailing actions and disciplines, as appropriate, and to avoid resort to other non-tariff measures that have an adverse affect on products of export interest to developing countries; and to establish an improved and more efficient safeguard system;

(c) To eliminate or effectively control restrictive business practices that adversely affect international trade, particularly that of developing countries, and the economic development of those countries through, inter alia, ensuring transparency and defining consultation procedures;

(d) To facilitate structural adjustment with a view to ensuring optimum overall growth, including the development and diversification of the economies of developing countries and effective international division of labour;

(e) To make proposals as to the strengthening and improvement of the trading system with a view to giving it a more universal and dynamic character, as well as to making it more responsive to the needs of developing countries and supportive of accelerated economic growth and development, particularly of developing countries.

In carrying out its work, UNCTAD should bear in mind the results of the Uruguay Round of multilateral negotiations.

(b) Course of action of the secretariat

13.21 The UNCTAD secretariat will contribute to:

(a) Enhancing the evaluation of the implications of protectionist measures, taking into account the export interests of developing countries;

(b) Increasing a better understanding of factors underlying protectionism;

(c) Enhancing the capacity of developing countries to assess market access conditions with a view to improving them;

(d) Enhancing the knowledge of restrictive business practices and the capacity to detect such practices;

(e) Increasing an awareness of the need for effective action at the national, regional and international levels to eliminate or deal effectively with restrictive business practices, including those of transnational corporations adversely affecting international trade, particularly that of developing countries and the economic development of those countries.

13.22 In the light of the above, the UNCTAD secretariat will:

(a) Analyse trade actions and trade legislation and other developments in trade policies affecting access to markets;

(b) Study developments relating to market access for commodities and factors relevant to improving market transparency;

(c) Assess and analyse official trade interventions in the Member States;

(d) Assess the incidence of non-tariff measures;

(e) Analyse the impact of voluntary export restraints and of other managed trade arrangements, particularly on the exports of developing countries;

(f) Analyse trade measures in specific sectors and their effects on trade flows in the context of the UNIDO system of consultations;

(g) Carry out studies on restrictive business practices;

(h) Publish annual reports and quarterly information notes on developments in the area of restrictive business practices;

(i) Continue the elaboration of the model law or laws on restrictive business practices and work on a handbook on restrictive business practices;

(j) Maintain and improve the system of publicly available information on restrictive business practices;

(k) Disseminate information and skills, particularly to developing countries, relevant to the control of restrictive business practices;

(l) Organize and service intergovernmental consultations, as appropriate, on protectionism and on restrictive business practices;

(m) Provide substantive support to technical co-operation activities relating to assessment of market access conditions and to restrictive business practices.

SUBPROGRAMME 2. STRUCTURAL ADJUSTMENT AND TRADE EXPANSION

(a) Objectives

13.23 The legislative authority for the subprogramme derives from General Assembly resolution 42/175; UNCTAD resolutions 21 (II), 96 (IV), 159 (VI); the Final Act of the seventh session of UNCTAD, paragraphs 101-105 (1-24); Trade and Development Board resolution 286 (XXVIII) and decisions 9 (I), 75 (S-IV), annex, 179 (XVIII), 367 (XXXV); and Special Committee on Preferences resolution 6 (IX) and decision 9 (XVI).

13.24 The objectives of the subprogramme will be:

(a) To promote expeditious and concrete structural adjustment actions within the existing mandate of UNCTAD, favourable, in particular, to the widening of markets for export products where developing countries have or may develop a comparative advantage;

(b) To ensure that bilateral arrangements and regional economic integration impart dynamism to global trade and thereby enhance the trade and development possibilities for developing countries;

(c) To implement, maintain and improve the generalized, non-reciprocal, non-discriminatory system of preferences in favour of developing countries;

(d) To give special consideration, within autonomous schemes, to the products of export interest to the least developed countries;

(e) To promote structural adjustment of economies to new realities in pursuit of national objectives.

(b) Course of action of the secretariat

13.25 The UNCTAD secretariat will contribute to:

(a) Encouraging an effective exchange of experiences of Member States in regard to structural adjustment and elimination of structural rigidities, with a view to facilitating the process of structural adjustment;

(b) Enhancing the understanding of factors underlying structural change and adjustment;

(c) Heightening an awareness of the need for structural adjustment policies that would provide larger export possibilities for developing countries;

(d) Supporting Governments upon request in improving the efficiency and effective use of the generalized system of preferences, especially through strengthening the capacity of preference-receiving countries to utilize export opportunities offered by the schemes;

(e) Strengthening the export capacity of developing countries.

13.26 In light of the above, the UNCTAD secretariat will:

(a) Analyse major trends in production, employment and trade in the sectors of manufactures, agriculture and services, with a view to identifying the salient features of structural changes in the world economy;

(b) Study in depth the factors underlying structural changes in various sectors;

(c) Analyse the main features of structural adjustment policies and the elimination of structural rigidities in member countries concerned;

(d) Maintain and improve the data and information on structural change and adjustment;

(e) Analyse factors influencing trade policy reforms in developing countries;

(f) Analyse issues relating to the implementation, utilization, maintenance and improvement of the autonomous scheme of the generalized system of preferences, including the rules of origin;

(g) Analyse factors causing the low utilization of preferences by beneficiaries, particularly by the least developed countries and smaller beneficiaries;

(h) Analyse factors determining the export capacity of developing countries;

(i) Review trends in trade of manufactures and semi-manufactures;

(j) Analyse industrial collaboration arrangements in and for trade;

(k) Study in depth the intra-industry trade issues;

(l) Organize and service, as appropriate, intergovernmental consultations on the generalized system of preferences;

(m) Provide substantive support to technical co-operation activities relating to the generalized system of preferences, strengthening of the export capacity of developing countries and trade policy reforms.

In carrying out its work, UNCTAD should bear in mind the results of the Uruguay Round, where appropriate.

SUBPROGRAMME 3. CROSS-SECTORAL ISSUES

(a) Objectives

13.27 The legislative authority for the subprogramme derives from General Assembly resolutions 42/175 and 43/188; UNCTAD resolution 159 (VI); the Final Act of the seventh session of UNCTAD; Trade and Development Board resolution 380 (XXXVI) and decision 309 (XXX).

13.28 The objectives of the subprogramme will be:

(a) To make proposals as to the strengthening and improvement of the international trading system, with a view to giving it a more universal and dynamic character and making it more responsive to the needs of developing countries and supportive of accelerated economic growth and development, particularly of developing countries;

(b) To ensure that policies in the area of monetary and financial matters, technology and in other relevant areas are compatible and consonant with the international trading system;

(c) To consider issues, and to continue work in the field of services within the mandate of UNCTAD, with a view to strengthening the services sector in developing countries.

(b) Course of action of the secretariat

13.29 The UNCTAD secretariat will contribute to:

(a) Enhancing the understanding of factors underlying developments relating to the international trading system and its functioning;

(b) Enhancing the understanding of the role of services in the development process;

(c) Encouraging the efforts of developing countries to devise and implement strategies for developing and strengthening their services sector.

13.30 In light of the above, the UNCTAD secretariat will:

(a) Study and research developments in international trade relations;

(b) Study in depth the role of services in the development process and continue specific studies on sectors of priority interest to developing countries, particularly with a view to building and improving infrastructure and capabilities, with the objective of developing efficient and competitive industries in those countries and thereby strengthening their export potential;

(c) Strengthen and refine the data base in that field, at the national, regional and interregional levels;

(d) Provide substantive support to technical co-operation programmes and activities.

In carrying out its work, UNCTAD should bear in mind the results of the Uruguay Round, where appropriate.

SUBPROGRAMME 4. TRANSFER OF TECHNOLOGY

(a) Objectives

13.31 The legislative authority for the subprogramme derives from General Assembly resolutions 38/151, 42/172 and 42/175; UNCTAD resolutions 39 (III), 87 (IV), 101 (V), 112 (V), 143 (VI); the Final Act of the seventh session of UNCTAD, paragraphs 105 (3), (19) (ii) and (24); Trade and Development Board resolution 308 (XXX) and decision 117 (XIV); Committee on Transfer of Technology resolutions 17 (IV), 31 (VI) and 32 (VII).

13.32 The objectives of the subprogramme will be:

(a) To promote growth in the transfer of technology to developing countries under equitable terms and conditions, thereby contributing to their development and to meeting the critical needs of the population, taking into account sustainable development concerns;

(b) To contribute to the expansion of international trade and co-operation in the field of transfer of technology with a view to accelerating economic growth and development;

(c) To promote the building-up of national technological and innovative capacities in developing countries, including their ability to acquire, absorb and generate technology;

(d) To enhance the capacity to cope with the rapid changes in technology that are having a major impact on the trade and development of developing countries, giving increased and systematic attention to the trade and development

opportunities and implications of new technologies, while taking into account the interrelationship between policies in the areas of technology and international trade.

(b) Course of action of the secretariat

13.33 The UNCTAD secretariat will contribute:

(a) To the identification and use of opportunities for greater international co-operation, including co-operation between enterprises, aimed at strengthening the national technological capacities of developing countries;

(b) To the establishment of policies and measures to revitalize and further accelerate the flow of technology, particularly to developing countries, under equitable terms and conditions, and to increase the number of countries that benefit from the transfer of technology;

(c) To the formulation and adoption of national technology-related policies and legislation and of intergovernmental agreements, measures and initiatives promoting technological innovation, transfer and absorption of technology, including the possibility of a Code of Conduct on the Transfer of Technology pending a decision by the General Assembly;

(d) To a better awareness of the challenges and opportunities created by technological change, including advances in new technology, for the trade and development prospects of developing countries;

(e) To the formulation of policies and measures aimed at enhancing the benefits from such change.

13.34 In the light of the above, the UNCTAD secretariat will:

(a) Undertake policy-oriented studies on the transfer and absorption of technology, innovation and research and development, and examine the factors that effect the capacity of developing countries to acquire, adapt and improve imported technology;

(b) Continue studies on the promotion of technology transfer and development by small- and medium-sized enterprises and on the role of national technology policies in the promotion of innovation, absorption and utilization of technology and the propensity for risk-taking in developing countries, having regard to the differences among developing countries in respect of such factors as the level of technological and industrial development, availability of adequate human resources, as well as to the linkage between productive activities and research and development efforts and other sources of technological inputs;

(c) Study the impact of joint ventures and foreign direct investment on increased transfer of technology;

(d) Examine the challenges and opportunities generated by new technologies, including how they affect trade and development opportunities, taking into account, in particular, the nature of the factors affecting their transfer, diffusion and absorption in countries at different levels of development;

(e) Review current developments affecting the flow of technology to developing countries, utilizing systematically collected and tabulated data on such flows, together with other technology-related statistics;

(f) Undertake policy-oriented studies on arrangements for the transfer and development of technology and assist with their establishment, where appropriate, with a view to improving access of developing countries to technological advances;

(g) Develop activities further in respect of laws, regulations and policies on the transfer and development of technology, in the light of the impact on legislation and policies of recent technological and commercial changes in strategies and practices of technology suppliers and of follow-up to the code negotiations and the Uruguay Round;

(h) Continue to study the economic, commercial and developmental aspects of the industrial property system;

(i) Provide substantive support for technical co-operation activities, including responding to requests for the fielding of national advisory missions, the organization of training seminars and other human resource development activities, having particular regard to new technologies, to innovation and the commercialization of technologies, including the role of research and development institutes, access to and use of results from research and development funded by the United Nations and measures for strengthening technological co-operation between developing countries. In implementing the programme of technical co-operation activities, the secretariat will place special emphasis on the needs of the least developed countries.

SUBPROGRAMME 5. TRADE AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS*

(a) Objectives

13.35 The legislative authority for the subprogramme derives from General Assembly resolution 42/175; UNCTAD resolutions 15 (II), 53 (III), 95 (IV); the Final Act of the seventh session of UNCTAD, paragraphs 30 and 105 (25-29); and Trade and Development Board decisions 356 (XXXIV) and 368 (XXXV).

13.36 The objectives of the subprogramme will be to promote policies and measures conducive to the expansion and diversification of trade and economic co-operation among countries having different economic and social systems on a stable, long-term and comprehensive basis, while giving due consideration to the interests of developing countries.

(b) Course of action of the secretariat

13.37 The UNCTAD secretariat will contribute:

(a) To the further strengthening of trade and economic relations among countries having different economic and social systems, in particular East-South trade;

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* See paras. 13.10 and 13.11 above.

(b) To the formulation by intergovernmental bodies of recommendations to member countries, through analytical work on developments in trade relations between countries having different economic and social systems, in particular, the East-South trade, paying attention to the comparability of statistics and the breakdown of product coverage;

(c) To the diversification of the commodity pattern of trade and the widening of its geographical basis;

(d) To the promotion of the conclusion of long-term intergovernmental agreements on trade and economic co-operation, as appropriate;

(e) To the improvement of the existing intergovernmental legal basis and institutional framework for trade and economic co-operation;

(f) To the improvement of the commodity structure of trade among countries having different economic and social systems, as well as the balance of mutual trade;

(g) To the consideration by expert groups of specific issues arising in trade and economic co-operation among countries having different economic and social systems.

13.38 In the light of the above, the UNCTAD secretariat will:

(a) Undertake research and analysis on ways and means of promoting mutual trade and economic co-operation;

(b) Assess the prospects for trade between various groups of countries;

(c) Analyse the export and import régimes of member countries;

(d) Examine, taking into account the work of the Economic Commission for Europe, developments in East-West trade and economic co-operation, in particular those that are likely to have direct implications for the trade and development of developing countries, including ways to eliminate protectionist measures and other obstacles to trade;

(e) Study the evolution of various forms of economic co-operation and the regional aspects of trade and economic co-operation between developing countries and countries of Eastern Europe;

(f) Provide statistical and other support for the above-mentioned activities;

(g) Disseminate information through analytical reports on trade and economic co-operation among countries with different economic and social systems, taking into account, inter alia, the economic changes occurring in Eastern Europe and their potential impact on the prospects of trade among countries having different economic and social systems, in particular, East-South trade;

(h) Periodic revision of the relevant publications on trading with the socialist countries of Eastern Europe;

(i) Organize and service, as appropriate, intergovernmental consultations on trade between countries with different economic and social systems;

(j) Provide substantive support to technical co-operation activities designed to promote trade and economic co-operation at the interregional, regional and national levels, between countries of Eastern Europe and developing countries, with particular attention to the needs of the least developed countries.

SUBPROGRAMME 6. COMMODITIES

(a) Objectives

13.39 The legislative authority for the subprogramme derives from General Assembly resolutions 42/175 and 44/218; UNCTAD resolutions 93 (IV), 105 (V), 124 (V); the Final Act of the seventh session of UNCTAD, part II, section B; Trade and Development Board resolution 286 (XXVIII) and decisions 7 (I) and 317 (S-XIV); and Committee on Commodities decisions 4 (V), 23 (XI) and 25 (XIII).

13.40 Taking into account the central co-ordinating role of UNCTAD in the field of commodities, the objectives of the subprogramme will be:

(a) To achieve a better functioning of international commodity markets and stable and more predictable conditions in commodity trade, including the avoidance of excessive price fluctuations and the search for long-term solutions to commodity problems;

(b) To enhance, strengthen or establish producer-consumer consultations and co-operation, where appropriate and feasible;

(c) To improve the operation and functioning of existing commodity agreements and, where appropriate, to negotiate new international commodity agreements or arrangements;

(d) To intensify international co-operation for the horizontal and vertical diversification of the economies of developing countries, as well as for increasing their participation in the processing, marketing, transportation and distribution of their commodities;

(e) To enhance international assistance directed to viable diversification programmes and, in that respect, to facilitate an adequate expansion of bilateral, multilateral, and private resource assistance, including private investment;

(f) To complement such financial assistance with technical co-operation for the implementation of diversification programmes;

(g) To improve information flows to aid investment decisions;

(h) To improve export earnings of developing countries through their increased participation in the diversification, processing, marketing, distribution and transportation of commodities;

(i) To improve and sustain the real income of developing countries through increased export earnings;

(j) To seek to liberalize trade, including improved market access in primary products and the processed products thereof, bearing in mind the needs and interests of developing countries;

(k) To improve the competitiveness of, and to encourage research and development on the problems of, natural products competing with synthetics and substitutes;

(l) To improve market structures in the field of raw materials and commodities of export interest to developing countries;

(m) To promote international food trade policies that increase food production and consumption in developing countries, promote an adequate supply of food and strengthen world food security.

(b) Course of action of the secretariat

13.41 The UNCTAD secretariat will contribute to:

(a) The intergovernmental consultations and actions on individual commodities, including the conclusion of commodity agreements or other arrangements, as appropriate;

(b) Enhancing understanding of the impact of technology and environmental considerations on supply and demand of agricultural and mineral commodities, including those facing competition from synthetics and substitutes;

(c) Enhancing transparency in markets of agricultural and mineral commodities, and commodity based products, through data collection and processing;

(d) The continuous review of the problem of commodity export earnings shortfalls of developing countries arising from export earnings instability, as well as of actions taken or required in the area of compensatory financing of export earnings shortfalls.

13.42 In the light of the above, the UNCTAD secretariat will:

(a) Undertake regular surveys of the world commodity situation and outlook, inter alia, analysing relationships between the commodity sector and the world economy;

(b) Assess the responsiveness of commodity production and trade to changing economic conditions and the impact of economic and financial constraints on the commodity production and trade of developing countries;

(c) Analyse the trends in supply and demand for individual commodities;

(d) Assist in formulating international, regional, subregional and national commodity policies and programmes conducive to enhancing the role of the commodity sector in the development process;

(e) Follow developments in various compensatory financing schemes and assess their implications for the development of developing countries;

(f) Undertake studies on diversification, identifying specific constraints to diversification efforts and proposing measures for their elimination;

(g) Analyse ways and means of expanding financial resources and technical co-operation, especially for human resources development relating to the commodity sector as a whole;

(h) Elaborate developmental measures for commodities, including their processing, marketing and distribution, for financing by relevant institutions and through technical co-operation;

(i) Facilitate the negotiation and renegotiation of international commodity agreements or other arrangements, where appropriate;

(j) Monitor the functioning of international commodity agreements or other arrangements and propose improvements in their operation;

(k) Follow the work of commodity bodies, provide information and assistance as required, and in co-operation with them, review the market situation for specific commodities;

(l) Assist in improving the capability of developing countries to undertake commodity policy analysis based on computerized information systems;

(m) Propose improvement in the collection, analysis and dissemination of data in this field;

(n) Undertake studies on ways and means of enhancing the contribution of commodities, and in particular of the minerals and agriculture sectors, to the economies of developing countries;

(o) Analyse developments in international food trade and international food security and monitor the impact of trade liberalization;

(p) Review developments in the disposal of non-commercial stocks;

(q) Review developments and undertake analyses in the field of synthetics and substitutes as they affect the competitiveness of natural products and the impact of new technologies and environmental considerations on such products.

13.43 Close contacts will be maintained with governments and the private sector. Member States are expected to exchange experiences on the manner in which they tackle commodity problems, including with respect to diversification, investment decisions and supply management.

SUBPROGRAMME 7. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

(a) Objectives

13.44 The legislative authority for the subprogramme derives from General Assembly resolution 42/175; UNCTAD resolution 127 (V); the Final Act of the seventh session of UNCTAD, paragraphs 30 (d) and 148; Trade and Development Board decision 161 (XVII); and Committee on Economic Co-operation among Developing Countries resolutions 3 (IV) and 4 (V).

13.45 The objectives of the subprogramme will be:

(a) To promote trade co-operation and trade expansion among developing countries, improve their trading positions, reduce their heavy dependence on the markets of developed countries, exploit fully the potential for increasing trade among developing countries and strengthen national efforts of developing countries to undertake measures promoting economic co-operation among developing countries;

(b) To foster co-operation among public and private enterprises and business organizations of developing countries, promote increased investment flows and transfer of technology, as well as the setting up of multinational enterprises and joint ventures among developing countries in the areas of trade, production, investments and services;

(c) To encourage a greater involvement of the enterprise sector in the formulation and implementation of programmes of economic co-operation among developing countries;

(d) To strengthen subregional, regional and interregional economic integration schemes of developing countries, improve the effectiveness of their co-operation mechanisms and remove the economic, institutional, legal, technical and political obstacles that impede implementation of the integration programmes;

(e) To foster co-operation between economic co-operation and integration groupings of developing countries;

(f) To reduce monetary and financial obstacles to the expansion of trade among developing countries and make more effective use of the financial resources of developing countries for their own development and mutual trade;

(g) To promote and strengthen South-South financial flows and domestic capital markets as instruments of economic co-operation among developing countries;

(h) To strengthen and improve existing clearing and payments arrangements and promote new ones at the subregional, regional and interregional levels;

(i) To study the possible establishment of trade financing and other relevant facilities in support of trade expansion among developing countries, including export credit insurance schemes and multilateral trade credits, and further enhance the evolution of monetary and financial integration of regional and subregional integration groupings of developing countries.

(b) Course of action of the secretariat

13.46 The UNCTAD secretariat will contribute to:

(a) The elaboration of the developing countries' programmes of trade co-operation and trade expansion among themselves, including the formulation of commercial policy measures at the national, subregional, regional and interregional levels, such as the global system of trade preferences among developing countries, the development of trade practices, such as joint import procurement policies, long-term contracts, countertrade, buy-back arrangements and other direct trade measures, and related institutional arrangements;

(b) The trade negotiations among developing countries and national efforts of developing countries aimed at promoting economic co-operation among developing countries;

(c) The greater involvement of public and private enterprises in the formulation and implementation of programmes of economic co-operation among developing countries, including promotion of the transfer of technology, the setting up of multinational enterprises and joint ventures among developing countries in the areas of trade, production, investment and services, as well as of business and investment information networks;

(d) The strengthening of subregional, regional and interregional economic integration schemes of developing countries, including improvement of the effectiveness of their co-operation mechanisms and instruments, and extending support to their efforts to remove economic, institutional, legal and technical obstacles to the implementation of the integration programmes;

(e) The establishment and strengthening of monetary and financial mechanisms at the subregional, regional and interregional levels, aimed at enabling developing countries to make more effective use of their financial resources for their own development and trade expansion.

13.47 In the light of the above, in the area of trade expansion, the UNCTAD secretariat will:

(a) Carry out studies on the possible effects on international trade relations and prospects for the expansion of trade preferences among developing countries in successive rounds of negotiations;

(b) Continue its research on products with potential for increased trade expansion and on policy measures to ensure such expansion, including relevant aspects of countertrade and the contribution of unrecorded border trade;

(c) Organize consultations among developing countries to facilitate the identification and exploitation of opportunities for trade expansion in specific products;

(d) Continue to expand and update the data base on trade control measures, as an effective tool for bilateral, subregional, regional and interregional trade negotiations among developing countries;

(e) Provide technical support and advice to member countries upon request, particularly to the least developed countries.

13.48 In the area of co-operation among enterprises and business organizations, the UNCTAD secretariat will:

(a) Compile and disseminate information on existing multinational enterprises and on investment laws and regulations of developing countries as a means of promoting investment flows among those countries and assisting developing countries in improving their investment climate;

(b) Undertake activities aimed at strengthening the participation of enterprises in the formulation and implementation of programmes of economic co-operation among developing countries;

(c) Organize workshops, seminars and other activities for small- and medium-sized enterprises in specific areas;

(d) Support existing subregional and regional business information and promotion centres, and assist in the setting-up of new computer-based regional and interregional investment information and promotion centres;

(e) Promote contacts and co-operation among enterprises of developing countries and their organizations, in particular through co-operation among chambers of commerce and industry and other business organizations, as well as further promotion of the role of small- and medium-sized enterprises in South-South trade.

13.49 With regard to subregional, regional and interregional economic co-operation and integration, the UNCTAD secretariat will:

(a) Continue to monitor developments and evolution in the different economic integration groupings of developing countries;

(b) Carry out studies on the main problems and issues facing the economic integration movement of developing countries;

(c) Assist the developing countries in the implementation of strategies for the revitalization and strengthening of the integration process, including complementary measures to trade liberalization in the areas of monetary and financial co-operation, agricultural and industrial production, transport and other infrastructures, as well as in the implementation of these measures through appropriate institutional mechanisms, including national mechanisms for undertaking economic integration activities, and the involvement of public and private enterprises;

(d) Continue to provide technical support to subregional and regional economic integration groupings and to co-operation among economic integration groupings of developing countries, including through a new comprehensive interregional project financed by the United Nations Development Programme (UNDP), aimed at the promotion of co-operation among economic integration of developing countries, subject to a decision by the UNDP Governing Council.

13.50 In the area of monetary and financial co-operation, the UNCTAD secretariat will:

(a) Undertake research and analyses on, and provide technical co-operation for, the strengthening of payments and clearing arrangements of developing countries;

(b) Support the work of the Co-ordination Committee on Multilateral Payments Arrangements and Monetary Co-operation among Developing Countries as an important means for promoting the effectiveness of payments and clearing arrangements of developing countries;

(c) Monitor and review financial flows among developing countries and regional and subregional capital markets in developing countries, and provide substantive support to seminars on the mobilization of domestic resources among developing countries;

(d) Assist developing countries in the strengthening of existing mechanisms of trade financing and any follow-up, as appropriate, to the study undertaken in 1990 on the establishment of an interregional mechanism for financing South-South trade in non-traditional exports.

SUBPROGRAMME 8. MARITIME AND MULTIMODAL TRANSPORT

(a) Objectives

13.51 The legislative authority for the subprogramme derives from UNCTAD resolutions 106 (V), 119 (V), 120 (V), 121 (V) and 144 (VI); Trade and Development Board decisions 12 (I) and 169 (XVIII); Committee on Shipping resolutions 49 (X), 58 (XII), 59 (XII), 60 (XII), 61 (XIII), 62 (XIII); the Convention on a Code of Conduct for Liner Conferences; and resolution 1 of the Ad Hoc Intergovernmental Group on Co-operation among Developing Countries in Shipping, Ports and Multimodal Transport.

13.52 The objectives of the subprogramme will be:

(a) To formulate and adopt policies at the global level with a view to promoting the development of merchant marines of developing countries and to enabling the developing countries to increase their participation in world shipping;

(b) To bring about structural change in international shipping where necessary, including achieving a more balanced situation between supply and demand in ocean shipping in order to promote the orderly development of the world merchant fleet and effectively contribute to the expansion of world trade;

(c) To promote an equitable balance between the interests of shippers and shipowners;

(d) To foster co-operation among developing countries in the fields of maritime and multimodal transport, particularly through regional institutional mechanisms and co-operative arrangements and the harmonization of shipping policy formulation in order to produce a more cost-effective shipping service;

(e) To develop and improve port services, particularly by the introduction of technological improvements and measures to enhance commercial viability and to improve managerial and technical skills;

(f) To promote understanding and co-operation in multimodal transport by formulating policies related to its expansion, especially containerization, and harmonizing those policies towards the key concept of an integrated transport system, taking into account the new information technology;

(g) To develop, subject to decision of the Committee on Shipping, international rules, instruments and agreements on legal matters relating to the economic and commercial aspects of maritime and multimodal transport, and to harmonize the legal framework in which shipping, ports and multimodal transport operations are carried out.

(b) Course of action of the secretariat

13.53 The UNCTAD secretariat will contribute to:

(a) Encouraging the efforts of developing countries to develop and manage their own fleets and to transport an adequate share of the cargoes generated by their foreign trade;

(b) Strengthening the co-operation and integration process among developing countries in the field of shipping at an interregional, regional and subregional level, and the broadening of opportunities for industrial diversification and employment in shipping;

(c) Harmonizing shipping policy formulation on both an intra- and interregional basis, with a view to enhancing the cost-effectiveness of shipping services;

(d) Facilitating intergovernmental consideration of measures to address severe imbalances that may occur from time to time between supply and demand in international shipping, and factors inhibiting the orderly development of world shipping;

(e) Promoting a balance of interests between shipowners and shippers, with particular regard to mechanisms that promote regular consultations on tariff structures and service patterns and other issues of particular interest to shipowners, shippers, port operators and multimodal transport operators;

(f) Encouraging a better understanding of the utilization of the latest techniques in physical distribution management and the transfer of knowledge to developing countries;

(g) Enhancing understanding of the changing role of ports as future industrial and service centres within the framework of national and international trade and the improvement of port performance in developing countries through, inter alia, assistance in the improvement of port management skills and application of the legal, administrative and operative changes required by modern transport technologies and new operational demands;

(h) Enhancing understanding of the need for a sound commercialization of ports in developing countries, as well as for co-operative arrangements with other ports of the region in view of the heavy financial burdens imposed by the changing role of ports;

(i) Promoting indigenous multimodal transport operations and modern transport technology, including the use of transport-related information technology, in developing countries;

(j) Monitoring and reviewing developments relating to such new technologies and to the economic and commercial effects thereof, particularly in developing countries;

(k) Adapting existing international legal instruments and agreements relating to the economic and commercial aspects of maritime and multimodal transport to meet changing needs in world seaborne trade;

(l) Providing advice and assistance to developing countries, on request, for adapting their national legislation into line with internationally agreed legal régimes in maritime and multimodal transport.

13.54 In the field of shipping policy, the UNCTAD secretariat will:

(a) Undertake regular surveys of developments in the world shipping market, including those related to the management of fleets, cost and freight levels and the protection of shippers' interests, and the effects of the organization and costs of shipping services on international trade and on the balance of payments;

(b) Monitor and assist Governments, upon request, in their implementation of the United Nations Convention on Conditions for Registration of Ships and the United Nations Convention on a Code of Conduct for Liner Conferences;

(c) Make proposals aimed at reducing the excess capacity in international shipping that may occur from time to time and at preventing the recurrence of factors inhibiting the orderly development of world shipping;

(d) Propose measures for the harmonization of shipping policy formulation in order to achieve a more cost-effective shipping service through economies of scale;

(e) Undertake activities to facilitate economic co-operation among developing countries in the field of maritime transport, including co-operation through joint ventures and fleet operations.

13.55 In the field of ports, the UNCTAD secretariat will:

(a) Undertake research work, in co-operation, whenever feasible, with specialized bodies and the regional commissions, on priority areas such as data processing, port operations, maintenance of port equipment, organization and administration of ports and trans-shipment facilities;

(b) Undertake case studies on questions related to the planning of and investment in ports, including ways to ease heavy financial burdens through co-operative arrangements;

(c) Assist ports, through further development and integration of the existing training programmes, TRAINMAR and Improving Port Performance, in designing a training policy, establishing a training capability and preparing training programmes that are properly integrated into a human resources development plan;

(d) Assist selected ports through the development and backstopping of technical co-operation projects.

13.56 In the field of international multimodal transport, the UNCTAD secretariat will:

(a) Concentrate its research on selected issues, including the practices of multimodal transport operators and the types of services offered, freight rate levels and structures, the relationship between physical distribution and multimodal transport, the manner in which shippers can make the most efficient use of multimodal transport and increase their bargaining power vis-à-vis multimodal transport operators, international container standards and statistics, and improvement of the role of freight forwarders in developing countries;

(b) Strive to achieve a stronger projection at the national level of the multimodal issue and its implications for the economies of developing countries, through appropriate technical co-operation and training, in co-operation with specialized organizations, other international bodies, especially the regional commissions, and other development institutions;

(c) Continue to promote the application of the agreed model rules for multimodal container tariffs, as well as a standard form and model provisions for multimodal transport documents;

(d) Study the role of international air cargo transport, in co-operation with ICAO, in the context of multimodal transport, with reference to the special problems that it poses to the expansion of the trade of developing countries;

(e) Develop guidelines on the application of computer software packages and the establishment of electronic data interchange links between shippers and multimodal transport operators;

(f) Promote harmonization of the relevant international policies and national policy measures concerning multimodal transport operations and containerization;

(g) Provide support for technical co-operation activities in order to facilitate implementation of the Hamburg Rules, the United Nations Convention on International Multimodal Transport of Goods, and the Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT);

(h) Foster monitoring of transport chains and integrated physical distribution systems in developing countries, particularly the land-locked countries.

13.57 In the field of international maritime legislation, along with the promotion of the existing UNCTAD model clauses on marine hull and cargo insurance, as well as the non-mandatory minimum standards for shipping agents and the Maritime Advisory Exchange on a global basis, the UNCTAD secretariat will:

(a) Pursue efforts, jointly with the International Maritime Organization (IMO), towards the negotiation of a convention on maritime liens and mortgages;

(b) Undertake, subject to the outcome of the Diplomatic Conference on Maritime Liens and Mortgages, and jointly with IMO, further work in relation to the arrest of vessels;

(c) Undertake further work in relation to the registration of rights in respect of vessels under construction;

(d) Undertake studies on the subject of charter parties for the consideration of the Working Group on International Shipping Legislation to enable it to decide whether there are clauses susceptible to standardization, harmonization or improvement as well as whether there are aspects of charter parties suitable for international legislative action;

(e) Undertake studies on specific topics, such as general average, ship leasing, bareboat chartering and terms of shipments;

(f) Monitor the subject of sea waybills, both in liner and tramp shipping;

(g) Monitor, in collaboration with the United Nations Commission on International Trade Law (UNCITRAL), developments relating to the legal aspects of terminal operators' rights and duties;

(h) Provide information on actual commercial and legal consequences of port State control of merchant ships at the regional level;

(i) Monitor developments relating to the legal aspects of electronic data transmission;

(j) Provide assistance to Governments in the development of their national laws and policies through advice on the application of the international conventions adopted within UNCTAD, namely, the United Nations Convention on a Code of Conduct for Liner Conferences, the United Nations Convention on International Multimodal Transport of Goods, the United Nations Convention on International Carriage of Goods by Sea (Hamburg Rules) and the United Nations Convention on Conditions for Registration of Ships;

(k) Prepare model national and regional maritime legislation, as well as rules for joint ventures and other arrangements to promote economic co-operation among developing countries in the field of shipping;

(l) Provide support for further conferences or other meetings in order to review the Convention on a Code of Conduct for Liner Conferences.

SUBPROGRAMME 9. DATA MANAGEMENT AND TRADE FACILITATION

(a) Objectives

13.58 The legislative authority for the subprogramme derives from Trade and Development Board decisions 187 (XIX), 354 (XXXIV) and 359 (XXXV).

13.59 The objectives of the subprogramme will be:

(a) To improve the availability and use of timely and reliable statistics derived from international and national sources, for the purpose of economic analyses and trade negotiations;

(b) To improve the availability and use of timely and reliable information on trade control measures, derived from international and national sources, for the purpose of trade policy analysis and technical co-operation activities in connection with trade negotiations and trade promotion activities;

(c) To facilitate international trade through the improvement of trade procedures and documentation, including the development, maintenance and implementation of modern management tools for the monitoring and control of trade and transport operations, customs clearance and trade data interchange.

(b) Course of action of the secretariat

Data management

13.60 In the area of statistics, the UNCTAD secretariat will:

(a) Continue to review the structure, content and relevance of recurrent statistical publications in order to meet the needs of the Organization and other users;

(b) Continue to improve the external trade statistics, including deflators and the timeliness of national account statistics;

(c) Continue to collect, process and publish statistics on trade and financial exchanges among developing countries;

(d) Maintain and improve the UNCTAD data base on Economic Time Series (ETS);

(e) Produce subsets of selected series and other sets with series for individual countries, extracted from ETS, for use with micro computers;

(f) Reinforce data collection and processing in the area of minerals and metals in order to service study groups and committees better;

(g) Make special efforts to introduce new statistical publications using low-cost printing technology;

(h) Carry out research work on the refinement and further development of available analytical tools, such as terms of trade indices, instability indices, and indices of concentration or diversification of trade.

13.61 The UNCTAD secretariat will continue the adaptation of hardware configuration and the monitoring of software development and availability, in order to:

(a) Support all administrative and technical co-operation programmes;

(b) Intensify training and assistance for UNCTAD users in data processing applications for programme management and office automation activities;

(c) Develop new low-cost publishing systems to produce new statistical publications;

(d) Improve ad hoc assistance to developing countries on the establishment and use of information systems related to trade and development.

13.62 The objective of the Trade Control Measures Information System will be to provide a centre of information on measures that control trade at the border of all countries of the world. That information, which is standardized according to an UNCTAD coding-system, together with corresponding trade flows, is provided on request to Governments, organizations of the United Nations system, universities, research institutions and private entities. For that purpose, documentation is maintained on those trade control measures, which provides the necessary input for the continued development of the computerized data base on tariff and non-tariff measures covering more than 100 developing and developed countries. In addition, descriptive notes on régimes of trade control measures of individual countries are prepared.

13.63 For the Trade Control Measures Information System, a world-wide network of focal points will be established within Governments and regional trade co-operation organizations. The focal points will be provided on a regular basis with updates of the data base on trade control measures, which will allow low-cost personal computer access to the complete system. Another commercial dissemination option will be developed for private entities. The information on trade control measures that regulate imports will be complemented with information on export regulations.

Trade facilitation

13.64 Trade facilitation work will be directed towards removing or reducing obstacles in the form of procedures and paperwork, and by the development and implementation of various facilitation measures and of modern technical methods for trade data interchange. Its main function will be to provide a central secretariat point within the United Nations system to serve the various international bodies participating in international facilitation work, to assist intergovernmental co-ordination in that field, and to manage and support relevant technical co-operation projects in developing countries.

13.65 The work will develop in three main areas: (a) research and development; (b) inter-agency co-ordination; and (c) support to technical co-operation activities.

13.66 Research and development work will focus on the study and development of new standards and measures, including the maintenance and updating of various directories, including the Trade Data Elements Directory, the Trade Data Interchange Directory, and the Port and Location Code, as well as the development of automatic data processing systems specially intended for developing countries.

13.67 The inter-agency co-ordination activities will enable UNCTAD to participate in the adoption of international standards. Special emphasis will be placed on co-ordination with the regional commissions and economic groupings in their efforts to assist developing countries in the use of automatic data processing related standards such as EDIFACT.

13.68 The support provided to technical co-operation activities undertaken by UNCTAD will give developing countries the opportunity to benefit from technological developments achieved mainly in the developed countries. Owing to the rapidly increasing gap between developed and developing countries in the use of computerized systems, the support to technical co-operation activities will have to be increased commensurably. The implementation of trade facilitation measures to simplify administrative and commercial procedures will be coupled with the installation of computerized systems, including the Automated System for Customs Data, a computerized customs clearance system developed and maintained by the secretariat. It is expected that there will be demands not only for technical expertise, but also increasingly for development work related to trade procedures. Developing countries will need assistance in adapting such standards to their national environment. The medium term will see the installation of new, more powerful systems which, by using EDIFACT, will lead to the establishment of an international networking of trade data interchange, at regional and global levels. The trade facilitation area will be a focal point providing technical support to these efforts.

13.69 The backstopping of technical co-operation activities in the field provides the necessary feedback for research work and co-ordination activities.

SUBPROGRAMME 10. INSTITUTIONAL INFRASTRUCTURE, INCLUDING BUSINESS ORGANIZATIONS FOR TRADE PROMOTION AND EXPORT DEVELOPMENT

(a) Objectives

13.70 The legislative authority for the subprogramme derives from General Assembly resolution 44/219; and the Final Act of the seventh session of UNCTAD, chapter II D, paragraph 15.

13.71 The objectives of the subprogramme are:

(a) To improve the institutional infrastructure for export promotion and development;

(b) To strengthen governmental capacity for establishing and maintaining trade promotion strategies and programmes;

(c) To improve the organizational structure of trade promotion organizations and other relevant agencies, and of their ability to conceive, formulate and implement effective trade development and promotion programmes;

(d) To enhance the knowledge and skills of individuals in the public and business sectors in such areas as improved marketing techniques and mechanisms and other aspects of the management of export promotion and development activities;

(e) To improve the administrative and technical skills of institution staff carrying out support functions in trade promotion and development, particularly in the areas of export packaging and export finance services, export project development and costing and pricing for export;

(f) To improve the organizational structure of chambers of commerce and other business organizations and of the professional skills of their staff, enabling them to upgrade and expand their range of services to the business community in trade promotion;

(g) To support closer working relationships between chambers of commerce and other business organizations, on the one hand, and governmental trade promotion agencies, on the other;

(h) To improve co-operation among chambers of commerce in developing countries, particularly in regard to promoting South-South trade.

(b) Course of action of the secretariat

13.72 In working towards achievement of the above objectives, the secretariat of the International Trade Centre UNCTAD/GATT will pursue the following course of action.

13.73 Through advisory missions and symposia and seminars, assistance will be provided for the development of the institutional infrastructure at the initial stages of implementation of trade promotion programmes. The instruments and

institutional set-up for foreign trade management will be analysed. Assistance will be given for the strengthening and improvement of existing bodies.

13.74 Assistance will also be provided to improve trade-related support services capable of assisting government authorities in planning and implementing their strategies and policies, and of helping producers/exporters in adapting their products to international market requirements. In many developing countries, exports other than basic commodities originate in small and medium-sized enterprises unable to develop or buy specialized support services. Those services will, therefore, have to be created or expanded and placed at the disposal of small and medium-sized enterprises. Assistance will be provided in: promoting capabilities in export packaging; export finance services; export project development, costing and pricing; trade promotion communications; national commercial representation abroad; export-oriented joint ventures; export quality control; and export of small and medium-sized enterprises and legal aspects of international trade.

13.75 Assistance will be provided for the redirection of the policy framework of the least developed countries towards export and trade development. It will deal with issues related to the shortage of financial and technical resources provided to export development and trade promotion bodies in least developed countries, which continue to restrain the growth of support services at government and business levels.

13.76 Assistance will also be provided to encourage measures to improve the organizational structure, facilities, promotional skills and experience of chambers of commerce and other business organizations in developing countries, with a view to increasing their capacity for offering effective services in trade promotion to the business community.

SUBPROGRAMME 11. PRODUCT AND MARKET RESEARCH, DEVELOPMENT AND PROMOTION

(a) Objectives

13.77 The legislative authority for the subprogramme derives from General Assembly resolutions 41/182 and 44/219; and the Final Act of the seventh session of UNCTAD, chapter II B, paragraph 85.

13.78 The objectives of the subprogramme will be:

(a) To establish and/or improve national and regional trade development services at the governmental, trade association and/or enterprise levels;

(b) To enhance skills in ascertaining the export supply potential of selected product sectors and to improve capacities for identifying potential foreign markets;

(c) To strengthen indigenous export enterprises in the private and public sectors and to assist in the creation of services capable of formulating and implementing export marketing strategies;

(d) To assist in product and market development;

(e) To increase production and export of traditional and non-traditional products, including high-technology and value-added products and technical consultancy services;

(f) To encourage trade among developing countries;

(g) To expand contacts and joint ventures between developing country entrepreneurs and market-holders in importing countries;

(h) To improve the performance of developing country traders in establishing and managing effective chains of international physical distribution for their import and export goods;

(i) To expand participation of developing countries in commodity diversification, processing, marketing and distribution, with a view to increasing economic activities in those countries and to improving utilization of natural resources and obtaining higher returns on commodity exports.

(b) Course of action of the secretariat

13.79 In working towards achievement of the above objectives, the secretariat of the International Trade Centre UNCTAD/GATT will pursue the following course of action.

13.80 Advisory services and training programmes will be provided on the management and use of trade information and market intelligence, particularly on the organizational aspects, processing, sources, methods of research, analysis, compilation and communications. Emphasis will be given to increasing awareness of relevant information sources and at raising the cost-effectiveness of instruments and methods for data collection, processing and dissemination, including optimal use of commercial representation abroad and modern data processing and communications technologies. In specific areas, such as information on trade contacts, trade statistics and market prices of selected commodities, the International Trade Centre will play a direct role as information supplier, responding to inquiries from developing countries. Exchanges of data and experiences in areas of common interest will be fostered at the regional and interregional levels. Advisory and training activities will be organized with a view to establishing trade information systems and at ensuring optimal efficiency and continuity of those systems in line with government priorities and users' requirements.

13.81 In the area of product market development and promotion, technical co-operation and related activities will cover all steps in export development, including: economic research; assessment of export potential; market research and preparation of appropriate export marketing and market development strategies; identification of production and product adaptation requirements; market access and promotion of traditional, non-traditional and new products, including technical consultancy services. Research activities will cover, among other aspects: international demand and supply patterns; changes in the world trade environment leading to identification of new opportunities for export products and consultancy services from developing countries; testing of actual market technologies; innovative approaches to marketing; South-South trade and regional integration schemes; trade data analysis at the enterprise level; and development of data bases of relevance to exporters from developing countries. Technical co-operation in the

area of trade in consultancy services will expand, providing impetus to economic development among developing countries and technical co-operation among developing countries. The design and implementation of all those activities will take into account the priorities set by developing countries in the trade context of the 1990s. Activities related to integrated assistance at the enterprise level are likely to expand further during the medium term as a means of enhancing the competitiveness of enterprises.

13.82 In the area of international physical distribution, activities will concentrate on disseminating to trade promotion institutions and enterprises engaged in export and import operations the basic information they require for planning the operations of international physical distribution for their export and import goods in order to develop in each case the most effective and cost-efficient strategy of international physical distribution, covering modes of transport, handling, warehousing, trade documentation and transport formalities. Attention will be given to the international physical distribution chain best suited for specific types of products of particular interest to developing countries, on specific routes. Information and technical co-operation in those areas will be provided through seminars, advisory services, publications and computerized data bases.

13.83 With regard to commodity trade, development and promotion, activities will continue to support: identification of export openings; formulation of strategies for market entry; generic promotion campaigns; supply and demand link-ups; adaptation or development of new export products; provision of trade information services; provision of specialized trade services on export packaging, export finance, export costing and pricing, trade fairs and commercial publicity, export quality control, and the legal aspects of foreign trade; and human resources development.

13.84 Special efforts will be made to promote the commodity exports of least developed countries. Particular attention will also be given to supporting the export marketing activities of developing countries exporting similar commodities, and to developing countries heavily dependent on export earnings from one or two commodities.

13.85 Most of the technical co-operation activities in commodities of the International Trade Centre will be commodity-specific. However, work on cross-commodity issues, such as the operation of commodity exchanges, in particular the functioning of future markets and the development of training materials on commodity trading, export financing for commodities, and strengthening of commodity boards, will be given due attention.

SUBPROGRAMME 12. IMPORT OPERATIONS AND TECHNIQUES

(a) Objectives

13.86 The legislative authority for the subprogramme derives from General Assembly resolution 44/219.

13.87 The objectives of the subprogramme are:

(a) To improve the management approaches, methods and practices relating to procurement, materials management, logistics and other elements of the import process, reducing import costs and enhancing the utilization value of imported goods;

(b) To increase the knowledge and skills of managers and staff responsible for import-related activities at all levels;

(c) To improve access to, and use of, information required for import decision-making and operations;

(d) To rationalize and streamline import procedures and facilitate the process of import liberalization where applicable;

(e) To increase co-operation among developing countries in the sharing of knowledge, information and services on import operations and techniques;

(f) To contribute to the sourcing of imported goods from other developing countries. The priority target countries for assistance will be the least developed countries.

(b) Course of action of the secretariat

13.88 In working towards achievement of the above objectives, the secretariat of the International Trade Centre will pursue the following course of action.

13.89 In the area of import management, activities will aim at: strengthening the technical capabilities of business associations, technical support services and consultancy institutions in developing countries, enabling them to provide assistance to importing organizations and enterprises on a continuing basis; where relevant, giving particular attention to imports of goods required for export production; assisting selected importing organizations and enterprises in the adoption of improved import management approaches, methods and practices; promoting the joint purchase and/or transport of imported materials by business enterprises, particularly in industries competing on international markets; strengthening the links between commercial and technical considerations in import management decision-making; and supporting the adoption of procurement specifications based on international, regional and national standards.

13.90 In the area of import training, the International Trade Centre will: organize training programmes, including programmes for local trainers, on-the-job training for local import managers (emphasizing training at sectoral levels), and national-level distance-learning programmes in procurement and materials management; build up national capabilities for long-term import training by strengthening selected import training institutions, setting up import training programmes and curricula (including programmes for the training of trainers) and producing training materials adapted to local requirements; and continue research and development on training and technical materials, particularly those emphasizing problem-solving approaches to import management.

13.91 Import information and computer application will be supported by: strengthening in-house import management information and intelligence units in the public and private sectors, importing organizations and enterprises; developing the capabilities of business associations for providing import-related information

services to the business community; providing government bodies with information to help them carry out their functions of planning, monitoring and overseeing imports, and helping to build up developing countries' national information bases relevant to imports; operating an import information service from the headquarters of the International Trade Centre, providing market information to importing organizations in developing countries on priority products; and development and utilization of microcomputer software applicable to import management in developing countries.

13.92 To support import co-operation among developing countries, the International Trade Centre will help to establish mechanisms aimed at promoting an exchange of techniques, information and services relating to import management among developing countries through shared facilities, specialized workshops, and information clearinghouses and exchange networks. Information obtained by the International Trade Centre on export capabilities in developing countries will be disseminated in order to promote sourcing from competitive suppliers in the developing world.

SUBRPOGRAMME 13. HUMAN RESOURCES DEVELOPMENT FOR TRADE PROMOTION

(a) Objectives

13.93 The legislative authority for the subprogramme derives from General Assembly resolution 44/219.

13.94 The objectives of the subprogramme are:

(a) To contribute to the development of personnel qualified in trade promotion and export development;

(b) To build national training capacities to enable developing countries to cope effectively with the increasing complexity of international business operations;

(c) To improve the managerial capacity and flexibility of training institutions in regard to the identification and satisfaction of the training needs of the export community;

(d) To strengthen their commitment to the allocation of resources for those purposes over the long term;

(e) To expand the capacity of national and subregional training institutions for providing the required training and for increasing the number of trainers able to organize training programmes;

(f) To emphasize the training of business women involved in trade.

(b) Course of action of the secretariat

13.95 In working towards the achievement of the above objectives, the secretariat of the International Trade Centre will pursue the following course of action.

13.96 Strengthening of training institutions will be realized by contributing to the identification and updating of training needs and capacities on a continuous basis, and to the development of appropriate training strategies at the national and subregional levels; strengthening of existing national and subregional training

institutions both in conventional fields, such as training of trainers, curriculum development, training materials development, and in new priority areas particularly in managerial aspects and in networking with similar institutions in both developing and industrialized countries; fostering the development of links among training institutions; and supporting initiatives for the establishment of specialized training institutions.

13.97 In the area of training research and development, the International Trade Centre will: develop specialized training materials, adapt and update existing materials, and introduce improved training technologies; develop training programmes in new technical and functional areas, the priorities being entrepreneurial skills for export, negotiation techniques, cross-cultural communications skills and strategic planning for export; formulate a training strategy and an action programme for promoting the involvement of women in the trade development process; and set up an information centre for developing countries on world-wide training facilities in trade promotion and export development.

13.98 Direct training activities will include on-the-job training facilitating the transfer of training technology; upgrading trade promotion and export marketing skills of key personnel in trade-related entities; training for effective trade promotion and international marketing for trade promotion officials at the headquarters of the International Trade Centre; non-traditional training events in new subject areas in trade promotion and export development; and increasing the number of qualified personnel capable of contributing in the medium term to the export development efforts of their countries through specialized seminars and long-term courses for exporters.

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MAJOR PROGRAMME IV. INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT

Programme 14. Development finance, resource flows and external debt

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* The present document contains programme 14 of the proposed medium-term plan for the period 1992-1997. The complete medium-term plan will subsequently be issued in final printed form as Official Records of the General Assembly, Forty-fifth Session, Supplement No. 6 (A/45/6/Rev.1).

PROGRAMME 14. DEVELOPMENT FINANCE, RESOURCE FLOWS AND EXTERNAL DEBT

A. Programme

1. General orientation

14.1 This programme is concerned with the broad range of topics centring on resources for development, money and finance, debt and related issues of interdependence. It deals with questions of utilization by developing countries of external financial resources and the adequacy of such resources, while paying attention to both concessional and non-concessional finance, as well as to foreign private direct investment and capital outflows. It will deal with the utilization of domestic resources for development, including both financial and human. In connection with human resources development as a means for the fulfilment of human potential and promotion of well-being, the role of women in development is recognized. The programme will also address the economic impact of diverting resources from expenditure on armaments towards more socially productive uses. In view of the importance of a stable international monetary environment, developments in the international monetary system and their impact, particularly on developing countries, will be continuously monitored. With regard to debt, analysis of developments and policies, creditor club operations, and debt-management assistance will be given attention, as will the formulation and implementation by debtor countries of appropriate programmes of growth and development-oriented macro-economic stabilization and of structural adjustment and reform. In examining those issues, particular care will be exercised to take effective account of the interdependencies that exist among money, finance, debt, trade and development, including concerns for sustainable development. The existence of close linkages between the economy, population and the natural environment is recognized. Consideration will be given to the manner in which those linkages may be reflected in various parts of the work programme of the United Nations Conference on Trade and Development (UNCTAD).

14.2 The development of the domestic insurance sector is an important element in the mobilization of domestic resources.

14.3 Particular attention in all of those areas will be given to the least developed countries, which have dropped further away from the mainstream of world economic growth and prosperity, as well as to the African countries in the context of follow-up to the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (General Assembly resolution S-13/2, annex). The issues and policies related to the least developed countries are covered in programme 15 of the medium-term plan.

2. Overall strategy

14.4 The responsibilities and activities of UNCTAD in respect of those issues are indicated in the four subprogrammes described below.

14.5 Member States can contribute to the achievement of the objectives of the UNCTAD programmes by reaffirming their commitment to strengthen multilateral co-operation aimed at revitalizing development and expanding growth and trade. In

this regard, they can take the necessary measures to improve the environment for restoring the development process. The developed market-economy countries can take co-ordinated action to promote stable and non-inflationary growth and deal with their mutual imbalances in a manner that will be beneficial to development. Together with the countries of Eastern Europe, they can contribute to the production potential of developing countries, improve access for exports of those countries and undertake appropriate structural adjustment. They can also expand their economic assistance and increase the flow of resources to developing countries. The developing countries, for their part, acting in pursuit of their national objectives and priorities, can strengthen the mobilization of domestic financial and human resources, including indigenous private capital and entrepreneurship; provide a suitable policy environment for the inflow of external financial resources; improve the effectiveness of the use of external and domestic resources; and intensify their mutual co-operation in pursuance of national and collective self-reliance.

14.6 Policy initiatives by developing countries to restore the momentum of growth to their economies will need to be supplemented by co-ordinated action by other countries and international organizations in the interrelated areas of trade, money and finance. In seeking to revive and sustain economic growth in the developing countries, as the material base for their development, national and international policy makers will have to pay increased attention to the importance of the qualitative components of development objectives, including ecologically sustainable growth and the need for full participation of all sections of the population in the development process and an equitable distribution of the benefits of growth. For the fulfillment of those aims, Governments, enterprises and other actors in the development process will have to enhance economic efficiency and social responsibility and to handle interdependence through appropriate intergovernmental and national action, in a comprehensive and broad-based manner to ensure mutual benefit for all, especially developing countries.

14.7 The secretariat will need to make its own contribution to enhancing the effectiveness of UNCTAD as an instrument of international co-operation for development by strengthening its support for intergovernmental consultations and negotiations, its research and conceptual innovation capacity and the interaction of its research work with operational activities.

14.8 With regard to co-ordination and co-operation, UNCTAD has, within the Secretariat, primary responsibility for monetary and financial issues including debt problems of developing countries, although within the United Nations system, the World Bank and the International Monetary Fund (IMF) have specialized expertise in those areas. In the context of the global analysis and monitoring responsibilities of the Department of International Economic and Social Affairs, UNCTAD and the Department will co-operate closely in those areas. In connection with debt-management systems, UNCTAD will continue to co-ordinate its work with the World Bank, IMF and other multilateral institutions that are active in the field. Similarly, UNCTAD will continue its co-operation with the United Nations Institute for Training and Research (UNITAR) in the area of training related to debt management.

3. Subprogramme structure and priorities

14.9 Taking into account that orientation and the issues to be addressed, the programme will consist of the following subprogrammes:

Subprogramme 1. External financing and international monetary issues

Subprogramme 2. Debt and development problems of developing countries

Subprogramme 3. Interdependence and intersectoral support

Subprogramme 4. Insurance

14.10 During the medium-term plan period, priority will be given to external financing and debt and their interrelationship with trade and development, for which subprogramme 3 (Interdependence and intersectoral support) provides an integrating framework.

B. Subprogrammes

SUBPROGRAMME 1. EXTERNAL FINANCING AND INTERNATIONAL MONETARY ISSUES

(a) Objectives

14.11 The legislative authority for this subprogramme derives from General Assembly resolutions 42/175 and 43/187; UNCTAD resolution 129 (V); Final Act of the seventh session of UNCTAD (see TD/352, vol. 1), paragraphs 30 (c) and (d), and 34-69; Trade and Development Board decision 10 (I); and Committee on Invisibles and Finance related to Trade resolutions 16 (IX) and 18 (IX).

14.12 The objectives of the subprogramme will be to review and consider the policy implications of:

(a) Developments in aid policies and performance, with a view to the promotion of international financial co-operation for development;

(b) Expansion of financial flows to developing countries, including measures to make concessional flows more predictable, and the utilization of aid;

(c) Developments in financial and money markets and measures to utilize effectively commercial sources of finance, including foreign direct investment in the context of national development strategies;

(d) Domestic resource mobilization;

(e) Developments in international monetary issues as they relate to the achievement of development objectives;

(f) The relationship between the external environment and domestic policies.

(b) Course of action of the secretariat

14.13 The pursuit of the subprogramme's objectives will necessitate examination of trends in various categories of financial transfers and analysis of new flows of funds and techniques of resource transfers. The impact of problems associated with reverse flows of funds from concerned developing countries to developed countries, on account of both debt service payments and private remittances, will be assessed. The main subjects of the UNCTAD secretariat's work and intergovernmental deliberations and negotiations are expected to be:

(a) The problems of access to capital markets;

(b) Measures to make concessional flows more predictable and continuous, as well as improved utilization of aid on the part of recipient countries;

(c) Favourable conditions and policies for attracting foreign direct investment and its contribution to the development process;

(d) The impact of the international monetary system on the development process;

(e) The problems created by fluctuating exchange rates and high interest rates.

To that end, a systematic capability to monitor the global flow of funds will be maintained.

SUBPROGRAMME 2. DEBT AND DEVELOPMENT PROBLEMS OF DEVELOPING COUNTRIES

(a) Objectives

14.14 The legislative authority for this subprogramme derives from General Assembly resolutions 41/202, 42/175, 42/198, 43/198 and 44/205; Final Act of the seventh session of UNCTAD, paragraphs 44-46; and Trade and Development Board decision 10 (I), and resolutions 165 (S-IX), 222 (XXI), 358 (XXXV) and 375 (XXXVI).

14.15 The objectives of the subprogramme will be to clarify and explore the nature and scope of the debt problems faced by developing countries and to evolve effective international co-operation for dealing with debt and development problems.

(b) Course of action of the secretariat

14.16 Research and analysis will be carried out in the area of debt and development problems of developing countries, including the particular problems faced by the heavily commercially-indebted countries, the least developed countries, and other developing countries whose debt is mainly due to other official creditors and multilateral financial institutions. This work will be undertaken in order to contribute to the elaboration, through intergovernmental dialogue and co-operation with competent bodies, of a flexible growth-oriented debt strategy. In dealing with the debt and development problems of developing countries, research on different experiences should be carried out. In addition, research and analysis, as well as a comprehensive data base, will be maintained at the country level in order to support the participation of UNCTAD in creditor club

debt reorganization meetings, in particular the Paris Club meetings. The broad question of rescheduling techniques and measures to restore adequate new financing, as well as the analysis of initiatives for a lightening of debt burdens, will be explored. Such research will also support assistance to requesting developing countries in the preparation of their cases for presentation to creditor club debt reorganization meetings. Research capacity will be maintained in order to provide analytical and practical advice to developing countries in trying to develop effective debt-management systems. To that end, the package of country targeted technical co-operation will be further developed with a sharper focus on the institutional aspects of debt management, while activities will be undertaken to redesign the computer-based system in a more advanced language, in order to meet the increasingly complex needs for statistical and macro-economic analysis and with the concomitant training.

SUBPROGRAMME 3. INTERDEPENDENCE AND INTERSECTORAL SUPPORT

(a) Objectives

14.17 The legislative authority for this subprogramme derives from General Assembly resolutions 36/145, 42/175, 42/186, 42/187, 43/188 and 44/228; UNCTAD resolution 90 (IV); Final Act of the seventh session of UNCTAD, paragraphs 4-32, 34-69 and 154-155; and Trade and Development Board resolutions 144 (XVI), 370 (XXXV) and 374 (XXXVI).

14.18 The objectives of the subprogramme will be the following:

(a) To explore the nature and evolution of interdependence among sectors, regions and national economies;

(b) To determine those combinations of domestic and international policies which would best reinforce the positive aspects of the complex interdependence of the world economy, taking into account the interrelationships among short-term, medium-term and long-term phenomena;

(c) To seek to translate the awareness of interdependence into positive action by strengthening multilateral co-operation and multilateral mechanisms to support predictability and stability in international economic relations and to revitalize development, growth and international trade.

(b) Course of action of the secretariat

14.19 To support intergovernmental consideration of the problems of interrelationships in the areas of money, finance, debt, commodities, trade and development as an integrating framework for the whole range of issues dealt with by UNCTAD, the secretariat will undertake the following activities:

(a) Research and analysis on issues of interdependence, both among sectors and geographic areas, encompassing relationships between short-term phenomena and policy issues and longer-term development trends and objectives;

(b) Analysis of resource requirements of developing countries, including mobilization of domestic and external resources;

(c) Examination of other development issues of relevance, including structural changes in the world economy.

14.20 The UNCTAD secretariat will provide up-to-date quantitative analyses, including short-term to medium-term forecasts and longer-term scenarios, to support the effective examination by intergovernmental bodies of the economic situation of developing countries, collectively and individually, and of the world economy as a whole. To this end, it will improve the System for Interlinked Global Modelling and Analysis (SIGMA) by making use of new simulation techniques to address more precisely, complex problems of policy co-ordination among countries and among sectors in a context of uncertainty.

14.21 The UNCTAD secretariat will establish and improve exchanges with other entities and organizations, inside and outside the United Nations system, on the economic outlook, policy issues related to the outlook, timely national and international statistics, and progress in model building and simulation analysis, through regional and interregional meetings and bilateral contacts. In addition, it will continue to respond to requests from other secretariats for input into their documentation in the areas outlined above.

SUBPROGRAMME 4. INSURANCE

(a) Objectives

14.22 The legislative authority for this subprogramme is UNCTAD resolution 42 (III); and Committee on Invisibles and Finance related to Trade resolutions and decisions 7 (VI), 9 (VII), 10 (VII), 13 (VIII), 19 (IX), 28 (XI), 30 (XII), 31 (XII) and 32 (XII).

14.23 The objectives of the subprogramme will be to promote the development of a viable insurance sector in developing countries supportive of their development. To that end, the subprogramme will assist developing countries in improving the technical and economic performance of their insurance markets in order to reduce their dependence on international insurance and reinsurance centres and to enable those markets to cover, as far as is technically feasible, the insurance operations generated by national economic activities. It will also support measures encouraging an increase in the volume of insurance business underwritten and retained domestically, and the investment of premiums in the country where they arise.

(b) Course of action of the secretariat

14.24 The UNCTAD secretariat will support intergovernmental consideration of insurance and related matters with a view to helping developing countries develop new and larger types of insurance protection to cover economic activities crucial for the development process, such as:

(a) The expansion of agricultural and industrial production, the development of transport activities and credit facilities and the promotion of foreign trade;

(b) Obtaining coverage at favourable prices and conditions and with a reasonable degree of security in international markets for risks that cannot be covered domestically;

(c) Creating conditions that will make the insurance industries of developing countries competitive in international markets, particularly as regards reinsurance;

(d) Further developing and updating insurance legislation and supervision;

(e) Introducing education and training programmes for the development of qualified personnel and managerial capacity in the field of insurance;

(f) Increasing regional and subregional co-operation among developing countries in insurance, particularly in the field of reinsurance, including the creation of regional or subregional reinsurance institutions and pools, and increasing such co-operation as regards risks that individual developing countries cannot cover adequately;

(g) Increasing the awareness within their economies of the need for risk management and the application of suitable techniques in this field.

14.25 The UNCTAD secretariat will undertake research studies to analyse the insurance markets of developing countries and their structural weaknesses. In-depth studies will identify problems and bottle-necks that prevent the effective functioning of those markets, make proposals on how to overcome them and draw attention to priority needs of developing countries in that area. The UNCTAD secretariat will also undertake regular reviews of developments in insurance markets of developing countries, highlighting important developments, pointing out the emergence of specific or new problems and drawing attention to solutions introduced by developing countries themselves that may lend themselves to a wider application. Statistical data will be collected from developing countries in order to provide information about the structure and growth of insurance markets in developing countries and their role in the national development process.

14.26 In addition, the UNCTAD secretariat will undertake the following activities:

(a) To identify possibilities for increased co-operation among developing countries in suitable and prospective fields (for example exchange of reinsurance);

(b) To assist in efforts to update and complement insurance legislation and supervision;

(c) To provide, upon request, advice regarding measures that could strengthen insurance markets of individual developing countries or of groups of developing countries.

14.27 Further, the UNCTAD secretariat will provide support to:

(a) Technical co-operation activities, focusing on education and training designed to enable developing countries to acquire the necessary qualified personnel for the effective conduct of their insurance business;

(b) The further development and updating of insurance legislation and the strengthening of supervisory capacity for the effective regulation of insurance markets;

(c) The strengthening of insurance markets of developing countries, inter alia, through advice on the strengthening of domestic insurance/reinsurance companies and on the feasibility of establishing various insurance and related services.

Particular emphasis will be placed on assistance designed to strengthen co-operation among developing countries in the field of insurance and reinsurance.

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MAJOR PROGRAMME IV. INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT

Programme 15. Least developed, land-locked and island developing countries, and special programmes

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* The present document contains programme 15 of the proposed medium-term plan for the period 1992-1997. The complete medium-term plan will subsequently be issued in final printed form as Official Records of the General Assembly, Forty-fifth Session, Supplement No. 6 (A/45/6/Rev.1).

PROGRAMME 15. LEAST DEVELOPED, LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES, AND SPECIAL PROGRAMMES

A. Programme

1. General orientation

15.1 The overall mandate of the present programme derives from General Assembly resolution 1995 (XIX) of 20 December 1964, which established the United Nations Conference on Trade and Development (UNCTAD).

15.2 The overall objectives of the programme are:

(a) With regard to the least developed countries, to promote appropriate international and national policy measures for overcoming their structural bottle-necks and accelerating their development process; with regard to the land-locked developing countries, to alleviate their geographical handicaps throug the improvement of transit transport and communication facilities; and with regard to island developing countries, to assist them to overcome handicaps arising from smallness, remoteness, vulnerability to natural disasters, and constraints in transport and communications;

(b) With regard to assistance to the Palestinian people, to monitor and investigate, in accordance with the mandate of UNCTAD, the economic policies of th Israeli occupation authorities, which hamper the economic development of the occupied Palestinian territory.

15.3 The least developed countries have suffered serious setbacks in economic and social development in the 1980s, despite the adoption of a Substantial New Programme of Action for the Least Developed Countries by the United Nations Conference on the Least Developed Countries, which was endorsed by the General Assembly in its resolution 36/194 of 17 December 1981. Significant efforts will b needed in the 1990s, taking into account the results of the Second United Nations Conference on the Least Developed Countries, in order to mobilize international co-operation in support of domestic action for overcoming the structural bottle-necks and extreme economic difficulties experienced by the least developed countries so as to strengthen the momentum of the modernization of their economic base, including rural development, and their capabilities of self-reliance, thus accelerating their development process. Such international action, in order to be effective, will need to support a wide range of measures in various fields, including trade, resource flows and management, debt relief, institution-building and human resources development and protection of the environment. The least developed countries, for their part, will also have to intensify their efforts in several areas, including human resources development, enhanced economic management taking account of environmental issues, mobilizing domestic resources and management.

15.4 The problems confronting the occupied Palestinian territory include: significant structural changes reflecting the severe impact of Israeli occupation policies and practices for nearly 22 years; the replacement of agriculture, the traditional sector of the economy, by areas of activity which have emerged in an arbitrary manner within the modern sector largely in response to external stimuli and which have a weak domestic productive base; the virtual stagnation of the industrial sector; the rudimentary nature of the financial sector, which has

prevented the effective mobilization and allocation of resources for economic growth and development; the resulting rapidly growing unemployment in the economy, obliging a high percentage of the Palestinian labour force to seek employment opportunities in the Israeli economy and elsewhere; the heavy dependence of the occupied Palestinian territory on Israel for imports and exports; large trade deficits which are met by remittances and financial transfers of Palestinians working abroad and through external aid; and the absence of appropriate indigenous Palestinian institutions for the development of the Palestinian economy.

2. Overall strategy

15.5 The programme is implemented by the secretariat of the United Nations Conference on Trade and Development.

15.6 In support of intergovernmental consultations and negotiations, the UNCTAD secretariat will strengthen its research capacity, both on sectoral and cross-sectoral issues, in the context of the development of a long-term research strategy, to deal in particular with the emerging issues of the 1990s. It will also pursue its efforts to achieve a more effective integration of its normative and technical co-operation activities as they relate to the countries of the present programme. That will enable the UNCTAD secretariat, inter alia, to enrich both its research and its technical co-operation activities through the collection and pooling of information on country policies and experiences derived from those activities. Technical co-operation activities will also serve as a means whereby the results of its research work may be applied and tested for their practical value and usefulness at the national level and as a mechanism for the identification of issues for further research and policy analysis or for intergovernmental consideration. By strengthening the interaction of its research work with operational activities, and by further pursuing its policy dialogue with representative groups of development actors, the secretariat will be better equipped to bring emerging issues to the attention of the intergovernmental bodies of UNCTAD and to backstop intergovernmental consultations and negotiations, as well as exchanges of practical problems and experiences.

15.7 In the course of the implementation of the programme, close co-operation will be maintained with other units and bodies of the United Nations, including the United Nations Population Fund, the United Nations Development Programme (UNDP) and the International Trade Centre UNCTAD/GATT, with those regional commissions that have regional monitoring responsibilities regarding the least developed countries, and with other international organizations, including the Organisation for Economic Co-operation and Development in the case of the least developed countries, and with Arab regional institutions concerning assistance to the Palestinian people. Co-ordination will also continue with other relevant bodies of the United Nations system through the machinery of the Administrative Committee on Co-ordination.

3. Subprogramme structure and priorities

15.8 In view of the above orientation and strategy, the programme will consist of the following subprogrammes:

Subprogramme 1: Least developed countries

Subprogramme 2: Land-locked and island developing countries, and special programmes

15.9 There are no priority designations in the programme.

B. Subprogrammes

SUBPROGRAMME 1. LEAST DEVELOPED COUNTRIES

(a) Objectives

15.10 The legislative authority for the subprogramme derives from General Assembly resolutions 36/194, 40/205, 42/175, 42/177 and 43/186; and the Final Act of the seventh session of UNCTAD, paragraphs 106-153.

15.11 The least developed countries are confronted with severe structural constraints and other special problems, including those arising from widespread poverty, extremely low agricultural productivity, weak institutional and physical infrastructure, paucity of skilled personnel, climatic hazards and serious debt-servicing problems.

15.12 The objectives of the subprogramme, therefore, are:

(a) To provide an adequate and internationally accepted minimum standard for the poor;

(b) To identify and support major investment opportunities and priorities;

(c) To mitigate as far as possible the adverse effects of natural disasters;

(d) To promote viable diversification of the economic structures of the least developed countries, including the creation of viable industries for processing raw materials, the development of integrated projects for the expansion of production and export, and the provision of adequate resources for overcoming supply bottle-necks;

(e) To ensure that aid is fully supportive of the development objectives of the least developed countries and that aid effectiveness is enhanced, inter alia, through improved co-ordination and the strengthening of country review meetings;

(f) To encourage positive measures for facilitating the expansion of trade opportunities of the least developed countries, including the promotion of subregional trade through technical and economic co-operation for development;

(g) To strengthen the capacities of the least developed countries to establish and implement their own policies and programmes, and to address the structural rigidities and deficiencies of their economies.

(b) Course of action of the secretariat

15.13 As a follow-up to the Second United Nations Conference on the Least Developed Countries in 1990, concerted efforts will be made to promote, co-ordinate and monitor the implementation of the decisions of the Second Conference. Those efforts will include:

(a) The identification and analysis of structural, institutional and policy constraints at the national and international levels impinging on the socio-economic development of the least developed countries;

(b) The formulation of proposals for national and international action for accelerating the socio-economic development of the least developed countries;

(c) Analysis, in co-operation with other international organizations, of international developments in aid flows, management and practices and the formulation of proposals to enhance the volume and quality of such flows in support of the development programmes of the least developed countries;

(d) Provision of improved information flows to least developed countries.

Periodic reviews and assessments will be made of progress in, and the policy issues affecting, the implementation of the results of the Second Conference at the global level, with a view to formulating policy proposals to guide their full implementation. Reports containing up-to-date information on the least developed countries, including the basic data series, will be prepared and published on a regular basis with a view, inter alia, to promoting the systematic follow-up to the Second United Nations Conference on Least Developed Countries at the national, regional and international levels. Country review meetings (consultative groups and round tables), which are the main mechanisms for the periodic review and implementation of the Substantial New Programme of Action for the Least Developed Countries, will take place at appropriate intervals at the initiative of interested least developed countries. It is expected that those meetings will facilitate an increased and improved flow of assistance through a better dialogue and co-ordination between least developed countries and their development partners.

15.14 Policy-oriented research will be undertaken on cross-sectoral and across-the-board topics, comprising, inter alia, poverty eradication, mobilization of domestic savings and human resources development, including enhancement of the participation of women in development, development of the enterprise sector, sustainable development, the role of non-governmental organizations, aid management and practices and debt. Other trade and development issues will include commodity dependence, debt management, improvement of the export potential of traditional and non-traditional products and the development and strengthening of the technological base.

15.15 Support will be provided for technical co-operation activities, with emphasis on: resource management; the strengthening of the economic planning and implementation capability in production of the least developed countries, in trade and other related sectors; and, in co-operation with the International Trade Centre UNCTAD/GATT, policies to promote trade and expansion of production facilities of least developed countries for export and for improving their capacity to benefit from existing preferential arrangements in their favour.

SUBPROGRAMME 2. LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES, AND SPECIAL PROGRAMMES

(a) Objectives

15.16 With regard to land-locked and island developing countries, the legislative authority derives from General Assembly resolutions 42/174, 42/175, 43/189 and 44/214; UNCTAD resolutions 123 (V), 137 (VI), 138 (VI); and the Final Act of the seventh session of UNCTAD, paragraph 142.

15.17 In the case of the land-locked developing countries, there is a need to reduce transit transport costs and to improve the quality, efficiency and reliability of transit transport services, taking into account the requirements and means of both the land-locked countries and their transit neighbours. Regarding the island developing countries, their economies are vulnerable to the adverse consequences of their specific situation, arising from geographic, climatic and other factors.

15.18 With regard to land-locked developing countries, the objectives will be:

(a) To intensify effective co-operation and collaboration between land-locked countries and their transit neighbours;

(b) To promote co-operative arrangements for the sharing of railway, road and port facilities and, where appropriate, the sharing of capital investments in new physical infrastructures created in transit countries primarily for the use of land-locked countries;

(c) To mobilize financial and technical assistance from the international community for the improvement of transit infrastructure in land-locked countries and their transit neighbours;

(d) To seek assistance for the rehabilitation and preventive maintenance of transit transport facilities in land-locked countries and their transit neighbours, including the provision of spare parts, tools and building materials;

(e) To support action in the assessment of the potential for restructuring the economies of land-locked countries;

(f) To promote implementation of international conventions on transit trade.

15.19 With regard to island developing countries, the objectives will be:

(a) To intensify co-operation in inter-island shipping, air and telecommunication services, including collective import operations;

(b) To mobilize financial and technical assistance to island developing countries in order to enable the full exploitation of their marine and sub-marine resources, including development of their fishing industry;

(c) To intensify efforts to raise the flow of resources from the international community for overcoming the geographical and other disadvantages of island developing countries;

(d) To support efforts at regional co-operation and integration.

(b) Course of action of the secretariat

15.20 The UNCTAD secretariat activities for assisting land-locked developing countries will include:

(a) Preparation of research studies and provision of up-to-date information on the transit transport situation of land-locked developing countries;

(b) Formulation of proposals for national and international policy action to improve the transit transport situation of land-locked developing countries;

(c) Provision of support to intergovernmental consultations and negotiations.

15.21 Work will focus on assessments of the potential for restructuring the economies of land-locked countries through the promotion of import substitution industries producing high-bulk, low-value products and developing high-value, low-bulk products for export. Reports containing a review of progress in the implementation of specific action related to the particular needs and problems of the land-locked developing countries will be prepared periodically. Efforts will be made to strengthen technical co-operation, to provide advisory services and to improve the existing data base on land-locked developing countries.

15.22 Activities for assisting island developing countries will be:

(a) To prepare detailed policy-oriented studies and provision of up-to-date information of high priority to island economies, focusing on transport and trans-shipment by sea and air, and trade problems arising from smallness, remoteness and constraints in transport and communications;

(b) To formulate proposals to assist island developing countries to overcome the main obstacles to their development efforts;

(c) To provide technical and advisory services to the Governments concerned addressing, inter alia, information flows;

(d) To support intergovernmental consultations and negotiations;

(e) To strengthen the role of the UNCTAD secretariat as the focal point for specific action at the global level in favour of island developing countries.

(a) Objectives

15.23 The legislative authority for assistance to the Palestinian people derives from General Assembly resolutions 43/178, 44/174 and 44/235; and UNCTAD resolutions 146 (VI) and 169 (VII).

15.24 The objectives will be:

(a) To identify and analyse the impact of Israeli policies and practices on the economy of the occupied Palestinian territory through regular monitoring and investigative studies and reports;

(b) To examine recommendations for action by the relevant authorities in the territory, by the Palestinian people and by the international community;

(c) To formulate proposals for technical co-operation aimed at contributing to the revival of the Palestinian economy, promoting its sustained growth and development and building up Palestinian institutional and technical capabilities for effective economic management.

15.25 Special attention will need to be given to identifying and utilizing the potential of the Palestinian economy for sustained and self-reliant development under changing circumstances.

(b) Course of action of the secretariat

15.26 Activities for assisting the Palestinian people will include:

(a) Monitoring economic developments in the occupied Palestinian territory and preparing for the Trade and Development Board annual analyses on the performance of the Palestinian economy under occupation, and identifying feasible policy measures for ameliorating the situation;

(b) Investigating the impact of occupation on major economic sectors and issues of vital importance to the development of a self-reliant Palestinian economy, as well as providing recommendations and guidelines for action at various levels, with special attention given to identifying the technical co-operation needs of the Palestinian people in various economic areas;

(c) Formulating proposals for rendering such assistance in close consultation with the Palestinian people and their institutions, as well as with prospective funding sources;

(d) Developing further the data base on the economy of the occupied Palestinian territory in order to facilitate the analysis of the performance of the Palestinian economy at the aggregate and sectoral levels;

(e) Providing for the dissemination of quantitative and qualitative information on the economy.

15.27 Efforts will be made to secure normal access to the occupied Palestinian territory to ascertain facts on the spot and to hold consultations with local authorities and experts on the findings and conclusions of the secretariat studies. The active interest of Member States in the work on that subject and their guidance and support will be sought to enhance the effectiveness of assistance to the Palestinian people, in areas within the mandate of UNCTAD.